

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: POWER PROPERTY INVESTORS,  
POWER PROPERTY MANAGEMENT,  
POWER LENDING CORPORATION  
and DARREN HEROLDT**

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) **FILE NO. C0700394**  
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**ORDER OF PROHIBITION**

**TO RESPONDENTS:**      POWER LENDING CORPORATION  
800 W. Fifth Avenue  
Suite 100A & 205L  
Naperville, Illinois 60563

POWER PROPERTY INVESTORS  
800 W. Fifth Avenue  
Suite 100A & 205L  
Naperville, Illinois 60563

POWER PROPERTY MANAGEMENT  
800 W. Fifth Avenue  
Suite 100A & 205L  
Naperville, Illinois 60563

DARREN HEROLDT  
13218 Millbank Avenue  
Plainfield, Illinois 60544

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 1, 2011 temporarily prohibiting Respondents from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

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WHEREAS, Respondents have failed to request a hearing on the matters contained in the said Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. Respondent, Darren Heroldt, (hereinafter "Heroldt" or collectively with (Power Lending Corporation, Power Property Investors and Power Property Management "Respondents") has a last known address 13218 Millbank Avenue, Plainfield, Illinois 60544.
2. Respondent, Power Lending Corporation (hereinafter "Power Lending" or collectively with Heroldt, Power Property Investors and Power Property Management "Respondents") has a last known address of 800 West Fifth Avenue, Suite 100A & 205L, Naperville, Illinois 60563.
3. Respondent, Power Property Investors (hereinafter "Power Property" or collectively with Heroldt, Power Lending Corporation and Power Property Management "Respondents") has a last known address of 800 West Fifth Avenue, Suite 100A & 205L, Naperville, Illinois 60563.
4. Respondent, Power Property Management (hereinafter "PPM" or collectively with Heroldt, Power Lending Corporation and Power Property Investors "Respondents") has a last known address of 800 West Fifth Avenue, Suite 100A & 205L, Naperville, Illinois 60563.
5. At all times relevant to this Temporary Order of Prohibition, Respondent Heroldt was a control person of Respondents Power Lending Corporation, Power Property Investors and Power Property Management.
6. Investor A (hereinafter "Complainant") is an Illinois resident.
7. On or around May 2005, Respondent Heroldt solicited Complainant to invest in Power Property Investors/Power Property Management.
8. Respondents Power Property, PPM and Heroldt and entered into an Agreement with Complainant, in which:
  - a. Complainant paid Respondents \$100,000.00;
  - b. Respondents Power Property, PPM and Heroldt agreed to identify appropriate property for Complainant to purchase;

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- c. Respondents Power Property, PPM and Heroldt agreed to find a tenant to lease the property;
  - d. Respondents Power Property, PPM and Heroldt agreed to pay and be liable for the mortgage payments, property taxes and any association dues on the property until the property is sold;
  - e. Respondents Power Property, PPM and Heroldt agreed to manage, maintain and upkeep the property;
  - f. Respondents Power Property, PPM and Heroldt agreed to arrange the sale of the property in 12 months;
  - g. In return for the Complainant's investment, Respondents Power Property, PPM and Heroldt agreed to pay Complainant the amount of \$20,000.00, advanced from a home equity line of credit in Complainant's name and the amount of \$20,000.00 on the date of the closing for the sale of the property.
9. Since purchasing the property, as instructed in the Agreement and making a payment of \$100,000.00 to Respondents, Respondents paid 2-3 mortgage payments, ceased managing the property and failed to find a renter to purchase the property within twelve months from the date of Complainant's purchase of the property.
10. Respondent Heroldt represented to Complainant that he was a partner in Respondent Power Lending.
11. The activities described above constitute the offer and sale of an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
12. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
13. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
14. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act

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for any person to “offer or sell any security except in accordance with the provisions of this Act.”

15. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“the Act”) provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
16. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“the Act”) provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
17. By virtue of the foregoing, Respondents violated 12.A, D and F of the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondents Power Lending Corporation, Power Property Investors, Power Property Management and Darren Heroldt have violated Sections 12.F, G, and I of the Act; and
2. That by virtue of the foregoing, the Respondents Power Lending Corporation, Power Property Investors, Power Property Management and Darren Heroldt are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Power Lending Corporation, Power Property Investors, Power Property Management and Darren Heroldt are hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This ~~17th~~ day of May, 2011.

18th

A handwritten signature in black ink, appearing to read "Jesse White", followed by a small, stylized mark that looks like "DA".

JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Felicia H. Simmons-Stovall  
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